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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte JAMES RICHARD KRAEMER

Appeal 2009-003854
Application 09/685,398
Technology Center 3600

Decided: February 16, 2010

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and ANTON W. FETTING, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134 (2002) from a final rejection of claims 1-31. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

Appellant invented systems and methods for automatically rebalancing portfolios of assets to achieve optimality, whereby all recommended rebalancing trade transactions can be automatically implemented based on a customer's single response to an alert message (Spec. 1:13-16).

Claim 1 under appeal is further illustrative of the claimed invention as follows:

> 1. A computer-implemented method of rebalancing a portfolio of assets to achieve optimality, the method comprising:
>
> transmitting to a customer an alert message for alerting an imbalance status of a customer's portfolio, and a list comprising at least one recommended rebalancing transaction, each recommended rebalancing transaction comprising asset information identifying a specific asset, quantity information identifying a specific number of units of the specific asset, and transaction information comprising one of a buy instruction and a sell instruction;
>
> receiving from the customer a single response to the transmitted alert message; and
>
> automatically implementing the list comprising at least one recommended rebalancing transaction based on the received customer's response to cause execution of each recommended rebalancing transaction.

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

Jones	US 7,016,870 B1	Mar. 21, 2006
Bove	US 7,149,713 B2	Dec. 12, 2006

The Examiner rejected claims 1-31 under 35 U.S.C. § 103(a) as being unpatentable over Bove in view of Jones.

We AFFIRM-IN-PART.

ISSUES

Did the Appellant show the Examiner erred in asserting that a combination of Bove and Jones renders obvious

> transmitting to a customer an alert message for alerting an imbalance status of a customer's portfolio, and a list comprising at least one recommended rebalancing transaction, each recommended rebalancing transaction comprising asset information identifying a specific asset, quantity information identifying a specific number of units of the specific asset, and transaction information comprising one of a buy instruction and a sell instruction[,]

as recited in independent claim 1?

Did the Appellant show the Examiner erred in asserting that a combination of Bove and Jones renders obvious "wherein the transmitting is performed via a first customer-defined communications method," as recited in dependent claim 2?

Did the Appellant show the Examiner erred in asserting that a combination of Bove and Jones renders obvious "wherein the customer's response constitutes performing a single action by the customer," as recited in dependent claim 4?

Did the Appellant show the Examiner erred in asserting that a combination of Bove and Jones renders obvious "wherein the customer's response is contained in a return e-mail from the customer, wherein the

return e-mail includes a transaction number identifying the list comprising at least one recommended rebalancing transaction," as recited in dependent claim 10?

Did the Appellant show the Examiner erred in asserting that a combination of Bove and Jones renders obvious "wherein the customer's response is received on paper, and wherein the paper includes an optical code for retrieving the list comprising at least one recommended rebalancing transaction, and verification information for verifying the identity of the customer," as recited in dependent claim 11?

Did the Appellant show the Examiner erred in asserting that a combination of Bove and Jones renders obvious "wherein the customer's response is received as a voice sound, wherein the voice sound is recognized using a voice recognition device," as recited in dependent claim 12?

FINDINGS OF FACT

Specification

Appellant invented systems and methods for automatically rebalancing portfolios of assets to achieve optimality, whereby all recommended rebalancing trade transactions can be automatically implemented based on a customer's single response to an alert message (Spec. 1:13-16).

It is desired to provide a method of facilitating the exchange of currencies of local operating units into a preferred currency having a premium rate of return (Spec. 2:3-4).

Bove

Bove discloses a computerized scheme for automating investment planning for a client. In the scheme, data regarding the client's desired asset allocation, current asset portfolio and preferred domain are input into a computer or processor. This data is used to automatically generate financial transaction recommendations for modifying the client's current asset portfolio to reach as close as possible to the desired asset allocation and the preferred domain.

The recommendations include specific recommendations for selling amounts of selected current assets and specific recommendations for buying amounts of one or more investment funds. The recommendations are displayed on a summary report for review by the client or the client's financial manager. The recommendations are used to sell amounts of selected current assets or to buy amounts of one or more investment funds. The recommendations may suggest that the client add specific amounts of shares to currently held mutual funds, and/or open one or more new mutual funds and contribute specific amounts of shares to the new funds (col. 1, l. 56 through col. 2, l. 14).

The executed computer program product accepts input data regarding the investors, interchangeably referred to hereafter as "clients" or "customers," and provides outputs in the form of recommendations on a summary report or in the form of signals which execute automated buy/sell trades based on recommendations determined by the program. The client may interact with the executed computer program product directly, or a

financial counselor may provide the inputs on behalf of the client. The description of the invention set forth below presumes that a counselor will interact with a client to provide all of the necessary input data (col. 3, ll. 33-42).

The Auto Rebalancing button causes the system to run the auto rebal algorithm to determine how the customer's portfolio should be modified to meet the target portfolio. The results of Auto Rebal will be displayed in the Selected Funds window. The buy/sell amounts specified for the funds may be changed by the counselor (col. 12, ll. 16-22).

Jones

At step 840, advice processing is performed. Based upon the user's preference among the decision variables, the system may offer advice regarding which decision variable should be modified to bring the portfolio back on track to reach the one or more financial goals with the desired probability. In addition, the system may recommend a reallocation to improve efficiency of the portfolio. An alert may be generated to notify the user of the advice and/or need for affirmative action on his/her part. As described above, the alert may be displayed during a subsequent user session with the financial advisory system 100 and/or the alerts may be transmitted immediately to the user by telephone, fax, email, pager, fax, or similar messaging system (col. 28, ll. 24-37).

PRINCIPLES OF LAW

Obviousness

One cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. *In re Keller*, 642 F.2d 413, 426 (CCPA 1981).

To establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 984 (CCPA 1974).

The examiner bears the initial burden, on review of the prior art or on any other ground, of presenting a prima facie case of unpatentability. If that burden is met, the burden of coming forward with evidence or argument shifts to the applicant. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

ANALYSIS

Independent Claim 1

We are not persuaded of error on the part of the Examiner by Appellant's argument that a combination of Bove and Jones does not render obvious the transmitting step of independent claim 1 (App. Br. 6-7). Appellant argues that Jones only discloses sending an alert message for the availability of a new financial product or a need for rebalancing of a portfolio, and not "a list comprising at least one recommended rebalancing transaction, each recommended rebalancing transaction comprising asset information identifying a specific asset, quantity information identifying a specific number of units of the specific asset, and transaction information comprising one of a buy instruction and a sell instruction," as claimed. However, Jones is cited for sending an alert message for a need for

rebalancing of a portfolio, and Bove is cited for the specifics of the rebalancing, namely, "financial transaction recommendations for modifying the client's current asset portfolio to reach as close as possible to the desired asset allocation and the preferred domain," (col. 1, ll. 63-66) including "specific recommendations for selling amounts of selected current assets and specific recommendations for buying amounts of one or more investment funds" (col. 1, l. 66 through col. 2, l. 2). *See In re Keller*, 642 F.2d at 426.

Claims 5-9, 13-17, and 29-31

Appellant argues that independent claims 16 and 29 are allowable for the same reasons independent claim 1 is allowable (App. Br. 11-12, 14). As Appellant has not shown how the Examiner erred in rejecting independent claim 1, the rejections of independent claims 16 and 29 are sustained.

Appellant does not set forth any additional arguments concerning any errors made by the Examiner specific to the rejections of the additional subject matter set forth in any of dependent claims 5-9, 13-15, 17, 20-22, 26-28, 30, and 31 (App. Br. 7, 11-14). These rejections are also sustained.

Customer-Defined Communications Method

We are persuaded of error on the part of the Examiner by Appellant's argument that a combination of Bove and Jones does not render obvious "wherein the transmitting is performed via a first customer-defined communications method," as recited in dependent claim 2 (App. Br. 8). While Jones does list a myriad of communications methods via which the alerts may be sent to the customer (col. 28, ll. 33-37), there is no indication in Jones that any of these communications methods are customer-defined as

set forth in the claim. *See In re Royka*, 490 F.2d at 984. Indeed, the aforementioned portion of Jones is silent as to how specific communications methods are chosen for delivering the alert to the customer, and the Examiner has not met the burden of setting forth a prima facie case of how such a modification of Jones would have been obvious. *See In re Oetiker*, 977 F.2d at 1445.

By virtue of its dependence from claim 2, we also do not sustain the rejection of dependent claim 3.

As dependent claims 18 recites subject matter similar to dependent claim 3, we also do not sustain the rejection of dependent claim 18.

Single Action

We are persuaded of error on the part of the Examiner by Appellant's argument that a combination of Bove and Jones does not render obvious "wherein the customer's response constitutes performing a single action by the customer," as recited in dependent claim 4 (App. Br. 10). The portions of Bove cited by the Examiner disclose providing recommendations to the client in a summary report, and executing transactions based on those recommendations (col. 1, l. 56 through col. 2, l. 14). The portions of Jones cited by the Examiner disclose alerting the user to take affirmative actions. While Bove discloses that the "client may interact with the executed computer program product directly" in order to execute the transactions based on the recommendations (col. 3, ll. 37-40), and it logically flows from the aforementioned disclosure of Jones that the user will take *some* action in response to the alert, neither cited portion discloses exactly *what* those actions are, let alone that the action is a single action, as recited in dependent

claim 4. *See In re Royka*, 490 F.2d at 984. Moreover, the Examiner has not shown how a modification of Bove and Jones to include such a single action would have been obvious. *See In re Oetiker*, 977 F.2d at 1445.

As dependent claims 19 recites subject matter similar to dependent claim 4, we also do not sustain the rejection of dependent claim 19.

Return E-mail/Paper Optical Code/Voice Sound Response

We are persuaded of error on the part of the Examiner by Appellant's argument that a combination of Bove and Jones does not render obvious that the customer's response is contained in a return e-mail/paper optical code/voice sound from the customer, as recited in dependent claims 10, 11, and 12 (App. Br. 10-11). As set forth above with respect to dependent claim 4, the cited portions of Bove and Jones do not disclose any specifics of how the customer responds to the alert message, let alone that the response is in a return e-mail/paper optical code/voice sound. *See In re Royka*, 490 F.2d at 984. Moreover, the Examiner has not shown how a modification of Bove and Jones to include a return e-mail/paper optical code/voice sound response would have been obvious. *See In re Oetiker*, 977 F.2d at 1445.

As dependent claims 23, 24, and 25 recite subject matter similar to dependent claims 10, 11, and 12, we also do not sustain the rejections of dependent claim 23, 24, and 25.

CONCLUSION OF LAW

On the record before us, Appellant has shown that the Examiner erred in rejecting claims 2-4, 10-12, 18, 19, and 23-25.

On the record before us, Appellant has not shown that the Examiner erred in rejecting claims 1, 5-9, 13-17, 20-22, and 26-31.

DECISION

The Examiner's rejection of claims 1, 5-9, 13-17, 20-22, and 26-31 is sustained.

The Examiner's rejection of claims 2-4, 10-12, 18, 19, and 23-25 is not sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a) (2007).

AFFIRMED-IN-PART

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